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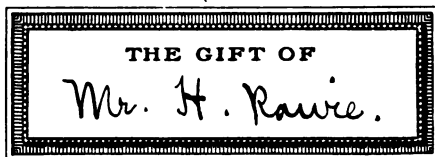
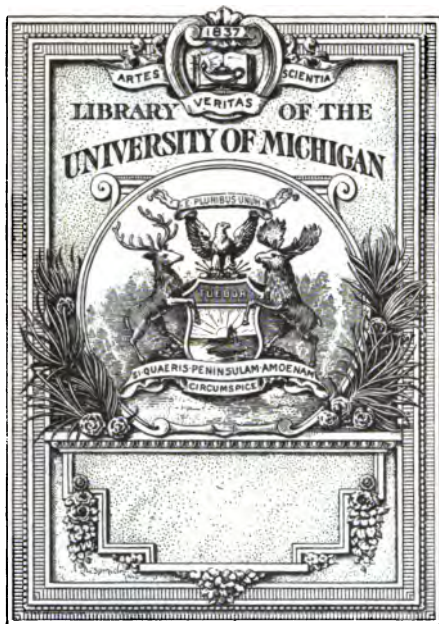
IN QUEST OF PROSPERITY



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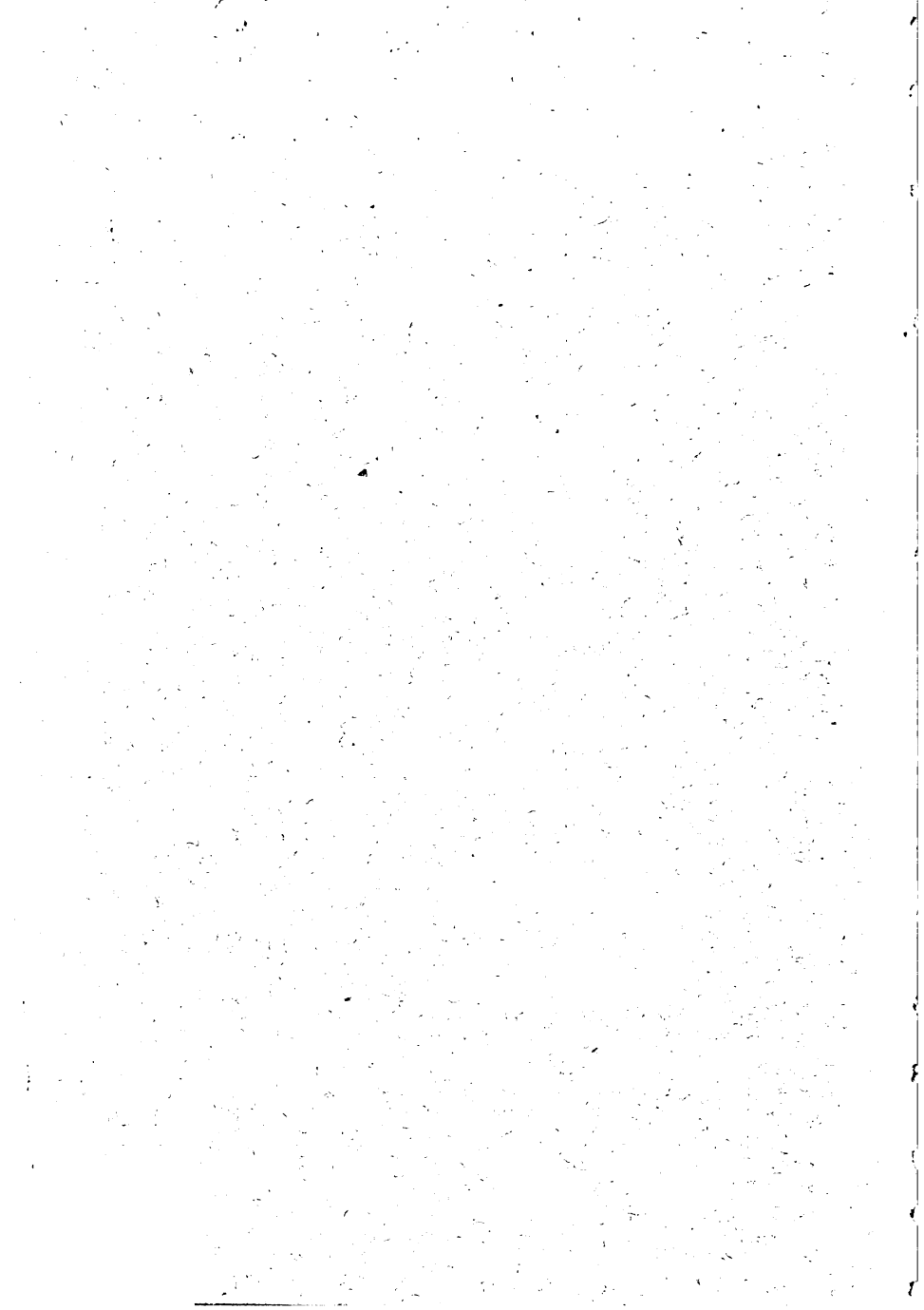
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In Quest of Prosperity.

CHAPTER I.

In spite of the great number of unsolved problems which now distress humanity Professor William James has not hesitated to add a new one. He wants to know "Where we are to find a moral equivalent in times of peace for the heroic virtues developed by war." "The horrors of war," he says, "is a cheap price to pay for a rescue from a world of clerks and teachers, coeducation and zoophily, of consumers leagues and associated charities of industrialism unlimited and feminism unabashed. No scorn, no hardness, no valor any more? Fie upon such a cattleyard of a planet."

It may be true, from the standpoint of Pragmatism that heroism has departed from the rich and has therefore departed from the world, but to many people "the cattle yard of a planet" does not appear so conspicuously. Among the common folk who retain a faith in God and who give to truth and love important places in the eternal fitness of things, the world is full of poetry, is of surpassing beauty and is not devoid of heroism.

Commercialism depresses the imagination it is true, and it stimulates the lower sensual desires, but there are

many who unite to battle for better things and among whom there is no lack of valor, scorn, hardness, or heroic virtues. The sordid pursuit of wealth has its sad and melancholy aspect for it opens up no paths leading to glory and it creates no soul stirring ambitions, but this fault is found among the rich for there is much unselfish devotion and heroism among the common people.

The struggle for great and greater wealth in order to feed greedy and more greedy appetites is not a struggle calculated to win favor with the immortal gods who inspire the world with heroism, and who link earth and heaven together in poetry and romance.

Professor James, however, will have pragmatic heroes at any cost, he will have them by force, and provide them by conscription; listen:

"If now, and this is my idea, there were, instead of military conscription, a conscription of the whole youthful population to enlist against nature. The military ideals of hardihood and discipline would be wrought into the growing fibre of our people; no one would remain blind as the luxurious classes are now blind to man's real relations to the globe he lives on. To coal and iron mines, to freight trains, to fishing fleets in December, to dish washing, clothes washing, window washing and to the frames of sky-scrapers would our gilded youth be drafted off."

This seems to me to be advocating a wholesale slaughter of the luxurious innocents to provide a Roman holiday for the entertainment of the horny handed sons of toil.

I may agree with the pragmatic theory of justice which excuses a man for profiting from the degradation of women and children if there is no other escape from degradation for his own children. I may acquiesce in the theory which allows one man to become master while his neighbors and friends become slaves, if such is the only escape from slavery. But I will not be so base as to contend that the masters are the fittest to survive because they become masters in a system where masters are as much of an institution as are slaves.

The blind worship of wealth is responsible for the baseness of its followers whom a lucky chance has permitted to escape poverty and who unconsciously band together to glorify themselves and to defame the rest of the human family. A man may be justified in enslaving other men if he has no other choice in thus escaping slavery, but he should be everlastingly damned for defending a system of oppression because he has been able to escape its present consequences.

There are few heroes among the rich because of the baseness of men who uphold a system of plunder and who are too cowardly to denounce the source of their own success. The ruling class not only tramples upon

the poor and denies them all opportunity to prosper but they lash them with whips of scorpions in church and state, telling them to rise while holding them down and making them believe that the sins of their oppressors are the sins of their own. This world is sadly in need of heroes, and no one will deny, but we do not suffer the need of the cheap heroics developed by war but suffer for great men to battle for the true religion and for humanity.

We pray for a return of the heroes of ancient Greece for Hercules to perform his twelve labors, to fight the Nemean lion who is destroying prosperity and driving the people from work, to slaughter the Hydra Graft with nine heads when one is cut off two new ones grow to replace it; to clean the Augean Stables of politics, to recover the golden apples of Hesperides, to help conquer Antaeus or we perish, for this landlord son of Terre is driving the people from the soil and is crushing them with poverty, vice and crime. We pray for the return of Theseus to destroy the ogre Procrustes and his iron bed of precedent and privilege. Procrustes has an iron bed in which travellers are tied who fall into his hands. If they are shorter than the bed they are stretched to fit and if they are longer a part is lopped off. We need Theseus to relieve the country from the annual tribute of youths and maidens paid to Minos the King of Greed who are sent each year to be devoured by the Minotaur who feeds on human victims.

The times call for Jason and his band of hero followers Hercules, Theseus, Orpheus and Nestor, to organize a new expedition of Argonauts to go in search of the golden fleece of prosperity.

CHAPTER II.

One of the most inspiring of the Greek hero fables gives an account of Jason in search of the golden fleece and the story probably relates in poetic history to a reform movement in Thessaly, the adventures of the hero being all that was required to stimulate the fervid imagination of the people who would then supply the details.

It is related that the King of Thessaly, named Althamas, grew weary of his wife and put her away and took another. The discarded wife, Nephele, fearing danger to her two children, a boy and a girl, petitioned the God, Mercury, who was the winged messenger of Jupiter to help her get her children to a place of safety. Mercury gave Nephele a ram having golden fleece upon which the children were placed for the journey. The ram vaulted into the air with the children on his back taking his course to the East across the sea, the girl Helle becoming frightened fell into the sea which was named from her and called Hellespont. The ram and the boy finally reached the land of Colchis on the Eastern shore of the Black Sea and the King Aetes gladly received him, the ram was sacrificed to Jupiter and the king was given the golden fleece for his hospitality.

Adjoining the kingdom of Althamas in Thessaly across the river was one ruled by a relative of his, named Aeson who became tired of his throne and surrendered it to his brother on condition that when his son Jason was grown and demanded his kingdom it should be restored to him. When Jason came to demand his kingdom from Pelias, he pretended he would yield willingly but suggested how glorious it would be if Jason first won renown, and he proposed to Jason an expedition to the land of Colchis across the Black Sea in search of the golden fleece, which he pretended was the rightful property of their family. Jason accepted gladly and at once employed Argos to build the boats and invited all the noble and adventurous young men of Greece to join him and they were named Argonauts from the boats of Argos.

The Argonauts, after leaving the shore of Thessaly crossed to Thrace there to consult the sage Phineus for advice about their future course. Phineus told them at the narrow entrance to the Euxine Sea are two floating islands of rock which were the greatest danger to navigators but if safely passed the voyage would be successful. During storms he said the floating islands of rock came together crushing men and boats between them and were therefore known as the Clashing Islands. Jason was instructed by Phineus to let loose a dove on approaching the Clashing Islands and when the dove passed safely they were to use all dilligence and

push through the narrow channel before the islands came together again. Following instructions they succeeded in escaping the Clashing Islands and entered the open Black Sea and without further difficulty reached the land of Colchis. The King Aetes consented to surrender the golden fleece to Jason after he succeeded in yoking two fire breathing bulls with brazen feet and plow the soil and sow the teeth of the dragon which Cadmus had slain. Now it was well known that when the dragon's teeth were sown a crop of armed men sprang from the soil and turned upon their producer. Cadmus introduced the alphabet into Greece and the story of the dragon he destroyed and of the teeth saved refers to the benefits from learning but also warns the people of the danger of sowing the letters of the alphabet which when plowed and planted by fire breathing bulls with brazen feet will return a crop of writings that arise as armed men to destroy their producer.

The story goes that Jason soothed the wild bulls by kindly words and gentle pattings and the spectators were amazed that he had such easy success with them. This is also a fitting illustration of combining factions to work in harmony for reform and of the risk in sowing dangerous doctrines that may arise and destroy all the former good work. Jason succeeded in sowing the dragon's teeth but armed men came to the surface and brandished their weapons and sprang at him.

The Greek fable writers demonstrate the most profound wisdom in their difficult situations, when the hero is entirely surrounded with dangers from which there is no human escape and he will perish, love is suddenly introduced to find a way out of an impossible situation.

Jason had won the love of Medea, daughter of the king, who fearing for Jason's safety, gave him a charm that would change the destiny of the dragon's teeth. When the armed men sprang at Jason, Medea trembled for his life, but Jason threw a stone among them which was the charm he received from Medea and they turned and began fighting each other until all were killed.

Jason and his companions accompanied by Medea, seized the golden fleece and hastened to their boats and returned to their country.

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CHAPTER III.

The call of the times is to enlist a new expedition of noble liberty loving men to go to the land of Plunder in search of the golden fleece of prosperity and restore it to its rightful owners. Surely the love of justice and the love for mankind, surely the spirit of poetry, religion and romance has not departed from the Western World. Somewhere across the Black Sea in the land of Plunder where King Privilege holds possession will be found the golden fleece which is the rightful property of our people and which we must recover or we perish.

The call of the age is for a new band of Argonauts who shall be heroes and brothers in arms, who will embark on perilous seas to recover the golden fleece for the downtrodden of the human race.

The call is for prosperity that shall be lasting and uniform in contrast with the fitful and special prosperity of Plunder, a prosperity in harmony with the profusion of nature which rewards with equal justice and bestows with equal blessings. Opposed to the idea of a general and uniform prosperity for all the people is the modern doctrine of the survival of the rich because they alone are said to deserve success and to constitute a superior class who will propagate a superior race if given their own way and their own time.

Consider this theory of fitness among a particular class of the same race as it may be applied to a class of the Negroid races. The Negroid as is well known by students of the subject is the lowest in the four great divisions of humanity: Negroid (Black), Barbarian (Red), Arrested Civilization (Yellow), and Caucasian (White). In the long line of human progress from the animal the negro has contributed nothing to civilization and has carried none of its burdens.

The Negroid represents the childhood period of the entire human race and remains a child in all capacity to progress but as a race retains all the hereditary savage instincts. Much is being claimed for the advance of the Negro individually on account of his intercourse with the white race and there is foundation for this claim as the Negro develops many of the loyal, happy and loveable virtues of the child from such association. But it should not be forgotten that the racial characteristics of the Negro has put a handicap upon him in conflict with the white race represented by at least a hundred thousand years of advance while the negro stood still.

When inequalities develop in the distribution of wealth among mixed races and the struggle to survive is uppermost, how fares the negro in this struggle? It is well known that among common laborers the negro lives easily and joyfully when the white family is suffering the most acute distress. The advocates of class

distinctions among the whites say that race hatred arises because the white labor is inferior to black and cannot survive under the competition. When millions of people receive the most meager pay that barely supports life, and when other millions get no pay, it is the wolfish and vicious that more easily survive while the noble and upright easily perish.

In the city slums the negro is true to his racial instincts and carries none of the burdens of civilization, the care and support of the negro children falls upon the woman who is also a wage earner, and the male negro is helpless without a surplus of women followers in his camp. Given a condition where millions of people face starvation and are therefore despised and degraded because they are poor; given a condition where no work is to be found, then the only way to live is to take to the open road of crime and brutality for men, of vice and debauchery for women. The easiest defense against extinction for women is found to be in sex prostitution which is growing by leaps and bounds among the young women.

In this survival by prostitution the black woman has a marked advantage over the white woman for she has less scruple in exploiting a superior white race and may pander more easily to the ever increasing degradation of the traffic and will suffer less from its evil consequences. The result is only too apparent in our cities and the black woman rapidly invades

the market among white men and the hellish hatred of races arises on account of the increasing prostitution between white women and black men.

Prostitution is at the base of race hatred of the negro in this country and the same prostitution is the cause of hatred between all classes of the same race all over the world. It is not envy of the rich that leads to hatred by the poor but it is the rise in the tide of an ever spreading prostitution against which the self respecting poor struggle in vain; against which they battle in despair as it invades the homes surrounding them.

Be not deceived about this class doctrine of the fit and be assured that since prostitution is responsible for success in the lowest strata, prostitution may also be responsible for success among the rich as a class, a prostitution that degrades politics, that purchases courts and legislatures, that mocks at integrity and honor and has made the maxim that "every man has his price."

The hatred between races and the hatred between classes is a conflagration in the soul of man calling up his burning passion to save the women and protect the mothers of the race.

It would be difficult for the most depraved imagination to invent a doctrine more shallow and debasing than the modern doctrine of human sin, so popular in pulpits and from the bench teaching that millions of people are depraved because they relish corruption, are criminals because they delight in cruelty

and are prostitutes because they are in love with iniquity.

The devil has been driven out of society, the responsibility for reeking cesspools of depravity formerly charged to the devil has now been added as an additional burden upon the poor.

Wealth is a great blessing no one will deny, it is the greatest blessing ever bestowed upon humanity, for wealth in modest degree is responsible for virtue and honor, for manhood and integrity and the noble perish who are not supported by wealth of their own. What then shall be said of the present defense of abnormal, absurd and swollen riches in contrast to misery and poverty, a defense which refuses to credit the poor with any capacity to be benefited from wealth of their own.

It is everywhere admitted that a reasonable amount of wealth is absolutely necessary to insure a fair degree of physical and moral cleanliness. Is the absurd theory therefore to be accepted that because a small sum promotes domestic virtue, monstrous wealth, confined to a few families, will atone for the filth of poverty by an example of the superlative purity of the exceptionally rich?

Each individual of the living Caucasian race represents the natural selection of the very best parents produced during a million years of hereditary preparation, and all class distinctions among the same people

arise from ignorance and conceit. It is true that infinite differences exist between individual men but this very infinity bespeaks its own origin in the infinite power and wisdom of God, and the genius who like Galileo lifts the human race forward a thousand years by observing the stars during a single night speaks from inspiration with the voice of God.

The greatest truth the world has ever known, the truth of Jesus Christ which has made the Christian Religion illustrious for nearly two thousand years is this: Humanity is a common brotherhood without classes, where one individual may differ infinitely from another owing to his fellowship with God the Father. This truth the Church has all but forgotten, and for which the world, unheeding is suffering the torments of the damned.

No fact is more uncertain than death yet this fact has been perverted into a saying that nothing is as uncertain as life, whereas life is the most certain of organic phenomena. No man, it is true, may say he will be alive tomorrow, but any man may calculate with reasonable certainty when the last man of any group of one hundred thousand men, selected at random, will die. The laws of nature deal with general and not with special cases, and the experience or success of a few individuals out of many will never demonstrate a natural process.

The human character is as stable as the human body, and however a single individual may vary from the common type owing to exceptional circumstances, each one hundred thousand men will remain true to the racial standard.

CHAPTER IV.

Prosperity has not yet become a tradition in America as it has in other countries; most men in middle life remember when prosperity was just within their reach but escaped, and they long for another chance. We have had a succession of good times with intervening periods of bad times, during the prosperous periods many new recruits from the mass gain a short ascendancy and many others decline.

Looking backwards men see where they might have profited enormously, but looking forward they do not see that similar failure may forever pursue them. Because of the lottery and gambling in the acquisition of sudden wealth men refuse to consider the natural results of successful labor, but vainly spend their time in idle regret for the "good things" they just missed instead of joining in a movement to secure the general welfare.

There is no serious dispute among well informed persons concerning the factors creating wealth and labor in general has been given due credit. The problem of prosperity may be defined as a plan to secure for each individual his share in the general wealth arising from the combination of the whole people. Thus stated, the inquiry narrows down to the relation which is supposed

to exist between the production of wealth and the opportunity of the individual to acquire his just share in it.

Modern methods of steam and electricity bind laborers together in vast co-operative systems of industry which are owned and controlled, however, by individuals. Are we, or are we not, bound by our present system of production to retain our present system of acquisition or on the other hand, may co-operative production and the individual distribution of wealth be separately treated as distinct problems not vitally connected?

What peculiar power is said to reside in the present system of unequal distribution that causes so much fear of a change toward equality, fear that a change will end disastrously for production? Millions of laborers when considered separately, each one spending his earnings each day is confessedly a weak force utterly unable to initiate the stupendous industrial undertakings upon which their daily wages depend. For this reason a system permitting a fearful disproportion in the acquisition of wealth is being tolerated and defended for fear a change may result disastrously for production. As is quite natural, the men who benefit from the inequality are, as a rule, most diligent in propagating the fear of change, but other men should be up in arms demanding the grounds of this superstition.

When the individual history of any capitalist is examined to discover the wealth he has contributed to enterprise it is found he has been almost wholly occupied in taking capital away from the workers instead of providing any. The simple truth is that successful undertakings furnish their own capital when they are given time enough to carry out the savings and economies they introduce.

The truth should be further made known that the time needed, and the first advances to industry are secured by holding back the wages of labor after they have been earned and have been paid into the market. Although each workman when considered separately offers no basis for an accumulation of capital yet when the market is considered where tens of millions of them continually deposit their wages, the view changes. When the payment for labor is not made daily after the work has been done, but lags behind from ten to thirty days in the commodity market alone, then a vast reservoir of money accumulates representing hundreds of millions of dollars which is constantly available to institute new undertakings that become quickly self-sustaining.

The creation and persistence of capital depends upon this lag in the payment of wages to laborers, and capital does not arise, as is falsely represented from the superior ability of particular groups of men, nor does it arise by accumulation from past generations.

The lag in the return of wages to labor has two periods in time of its circulation. There is a short lag period during which cash tarries in the commodity market, and there is a longer period for the return of capital advanced from labor.

Commodities being constantly consumed must be as constantly reproduced, and this process requires the constant return of cash used in this market, because the wages of labor may not be held back for a longer time than food and shelter may be loaned.

The loss to labor during this short lag is confined to the cash spending money of the privileged classes in servants, travels, jewels, works of art and other expenses for living and luxury, and is therefore quite limited when compared with the entire volume of goods consumed.

During the long lag in the return of capital, however, the failure in such return causes a loss to labor of the earth itself, and all the wealth stored within the earth and built upon its surface.

If losses such as these have been suffered during all recorded history, the question at once arises why the evil has been so long endured and no remedy has been applied for robbery so enormous. The reason for the persistence of inequality in wealth is to be found in the fact that it is taken, a little at a time, from millions of people, and what is first taken comes from a joint fund to which no particular individual may lay claim; the failure to

distribute this joint fund creates a subsequent or backward loss to labor most difficult to locate.

As commodities of all kinds are being regularly produced and distributed a living wage is being assured to each worker, and the laborers who produce none of the commodities are therefore able to create a vast total of new wealth in farms, in towns and cities, in factories ships and railways. When labor draws a living from the commodity market, it may temporarily be cut out from a share in the wealth of all other markets. With labor having its living assured it may appear that the unequal distribution of wealth will continue forever creating a permanent labor class on one side and a permanent property class on the other side. But there is a natural law which seriously objects to any such scheme of benevolent feudalism by which a property class may provide work for labor and may take credit for generously supporting it.

This law declares that the accumulation of wealth must come first from the circulation of money and next from the circulation of credit, and all sums taken from either circulation, of money or credit must be taken from deferred wages lagging in the market on their way to return to labor. The decree of Nature, which to break is to invite destruction, declares that wages may not be retained without returning in due time unless they do so by inviting the destruction of civilization from an increase in vice and crime.

The natural return of deferred wages arises as follows: When merchants and manufacturers accumulate bank deposits from profits in the commodity market and spend them to increase the output of goods, or to employ labor in new development, such profits break up into individual wages and return to labor. But if such profits are invested in some form of property having a legal existence only, which sells because it confers a privilege upon the owner, then the sums spent for such privilege cannot break into individual wages but remain a joint account represented by the selling price of the legal property as against labor property.

In this manner, by spending money for something labor does not and cannot produce, the rising prices of such property take up the rising accumulations of capital by preventing the distribution of deferred wages with which laborers would become the owners of industries. When the price of privileges has absorbed all the wages that may at the time be held back, the demand for labor to create new improvements fails because no money returns to circulation with which to employ them. Such time comes when the price of water or land value equals half the total price of all income property. Progress would then end in a panic and civilization would be deprived of its circulation of capital and business would return to a cash basis.

The wages due to return are due in a special period of time and relief is had by changing the time of paying

the debt to labor. Before deferred wages can be taken out of the regular channels of distribution it is necessary that a given speed of production develop from the early accumulations and it is only the later and heavier funds that are held back and offer the great prizes of unequal wealth.

The natural rate of the return of capital to labor is the rate at which profits from the sale of goods are invested and the rate also at which the money so invested is being restored to circulation again, from profits in new enterprises. If such rate is twenty-five per cent. it simply means that the capital advanced by labor to construct new works is returning at the rate of twenty-five cents on each dollar each year and will be restored to the wage fund in four years.

In thus restoring capital to the wage fund what is taken off at one point is again added at another and the rate remains normal all the time, this rate may increase by the continuous profits from goods going into new capital.

When privileges are being bought and sold in the market like slaves, and the advancing price of them has absorbed the accumulation of deferred wages, a readjustment of the rate is imperative or the accumulation of free capital ends. When the price of privileges advances and equals half the total price of property the entire deferred capital, at the existing rate of return, has been prevented from returning and a partial relief is

secured by delaying the return which is done by diminishing the rate.

If for example the value of capital is ten billions dollars half of which is water and the rate is twenty-five per cent. then the water will absorb all the return above the cost of the property which is the whole sum that lags in the market.

If the rate should drop from twenty-five to ten per cent. then the sum returning in four years is not extended to ten years exactly, but such extension allows the amount taken from labor to be increased from a four years surplus to one of ten years, and the water will increase from five billions to twelve and one half billions.

The decline in the rate from twenty-five to ten per cent. allows the same annual profit to support twenty-five billions of capital instead of ten billions and allows a new period of activity in which one half the increase will be used to employ labor so that the other half may be absorbed in more water.

The rate will continue to descend by repeated adjustments between labor and privilege until it becomes so low that new industries dare not be undertaken, and a fierce competition arises by which the surviving industries are forced into enormous combinations of capital to keep from exterminating each other.

CHAPTER V.

That a general and uniform rate of interest upon money should develop is quite natural and is not difficult to explain because money is the most desirable of any form of wealth. It is uniform in value and is universal in its power of exchange, and, being limited in quantity it is opposed to values which are not uniform or limited, hence it is forced to become a measure by which the changes in other values are recorded. The owner of money will prefer a return of money from his loan to any other form of return, and he must therefore accept less money and the rate of interest on money will fall naturally below the lowest rate of profit on capital.

Capital is special and multiform in its applications instead of being general and uniform like money, and is practically unlimited in quantity instead of being limited. It should therefore have rates of profit which would vary according to the risks assumed and according to the quantity involved, and should have a lowest rate in excess of the highest rates paid for money. The different natural rates upon different classes of capital have been forced to conform to a low uniform rate because property in land is treated as capital and its value is more stable and uniform and involves less risk of loss than other property.

The value of land becomes an interference with rates of profit and with all other values by offering a superior investment to capital and succeeds, therefore, in driving all other rates down by advancing its own price.

When land is free in a new community and money establishes the lowest rate for capital at twenty-five per cent, land will sell at, or very near, this low basis in preference to any other investment. This problem may be illustrated by a few examples of different locations in a growing city which support equal costs of improvements but which return different annual profits.

Five locations for example, improved at a cost of one thousand dollars each, return a thousand dollars a year or one hundred per cent profit. Ten locations, improved at a thousand dollars each, return seven hundred and fifty dollars or seventy-five per cent profit. Twenty locations, improved at a thousand dollars each, return five hundred dollars a year or fifty per cent profit and all other locations return the average rate of twenty-five per cent or more.

If land becomes private property, and is being bought and sold, the money accumulating as a lag in wages would pay four thousand dollars for the improved property returning one hundred per cent before it would engage in a new enterprise limited to twenty-five per cent and in the same way would pay three thousand for the seventy-five per cent location and two thousand

for the fifty per cent location and the difference between cost and selling price of locations would become a price for land.

In this illustration the land price on five of the best locations would be fifteen thousand dollars, on the ten second best would be twenty thousand dollars, and on the third series twenty thousand, the thirty-five improvements costing thirty-five thousand dollars giving rise to fifty thousand dollars investment of deferred wages into higher prices for land.

If land had not been property and could not have been and sold, the fifty thousand dollars taken out of circulation by bidding up the price of land would have bid up the price of improvements and have called new and better improvements into existence and in so doing would have returned the money to labor and to continuous increase in wages and to the continuous circulation of more and more money in the market.

The fifty thousand dollars of credit offset by an equal price for land causes the accumulation of fifty thousand dollars of idle money which is quickly forced to compete with employed money and reduces the money rate below twenty-five per cent.

As this money rate falls the capital rate follows it down, the price of land rises the more rapidly because the area of land that may capitalize at a lower rate expands enormously. Thus the evil grows; the faster the rate falls the more rapid the rise in total price of

land and the farther back the deferred wages of labor are pushed never to return again unless the system is abolished.

The lowest limit in the decline of interest and profit is reached when the rate is too low to admit of new development on account of the risk; and then the competition of idle capital will force all weak concerns into bankruptcy or compel them to organize into great combinations to resist a farther advance in price of land, and a farther decline in profits of all other property.

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Farmers and other primary producers must receive more money when they sell their product than they are required to pay to labor to produce it, or else the laborers who produce no goods, but who are engaged in other work, could have no work and would be cut off from any share in the surplus of the fields, while the surplus itself would have no market. If money is free to circulate, there will always be twice as much money offered for each and every desirable product in the market as the sum required to pay laborers for producing the product because the whole number of buyers greatly overbalances the whole number who are being paid for the products sold in the market; thus causing a natural and continuous profit in dealing with labor.

The various advances in price of all kinds of goods from field and factory, from forest and stream along all

the avenues leading to the market must be charged ahead of the goods, and the gathering increase in costs must be superseded by a gathering of money to enable the higher prices to be paid by the greater volume of money.

These advance charges are met by using the deposits in banks, and the check currency thus developed supplies the exact amount of money needed for any and all such increases in price provided the price of land does not cut off a part of the supply.

The increase in price of goods in the market is an advance in price ahead of any corresponding advance in wages and is carried as a credit by bank deposits, and by the circulation of bank check currency among builders, merchants and manufacturers.

If this bank check currency is properly invested and again employs labor, the money circulation will be expanded by having bank checks circulating from the market to labor and from labor back to the market again creating the same movement of bank checks that is necessary to keep cash moving.

The total wages paid to labor and the total selling prices of all property must absolutely balance, or failing to balance the sums out of balance must be charged off to profit and loss as a debt against labor. There is no chance to steal from nature or doctor the books!

Banks may easily maintain a volume of checks in circulation four times as great as the volume of cash

and keep such checks payable in cash from the lag in the cash return to labor. If banks may thus be forced to expand the check circulation during times of good profits in business they will also become the medium to a contraction of equal billions of dollars when profit in business declines.

The great loss to labor is found in its failure to share in this enormous circulation of bank check money with which other people, who do no work, succeed in buying all the fixed wealth of the country.

Labor is limited to a living wage, by being limited to the circulation of cash, and is cut out of three-fourths of the money in circulation and three-fourths of its wages with which it otherwise would buy the railways, factories, hotels and other income property.

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There is no error in financial literature more difficult to combat than the one that the value of property is the basis upon which loans of money are made and that the limit in available credit is made by the limit in value of property. It is true that money and the value of property should be intimately related, and should be equally exchangeable, but when prices of property and prices of labor do not balance then the money in circulation is limited by the price of labor and can not be limited by the price of property. If there were no demands upon money other than the regular demands for payment of labor and for the

distribution of wealth then property would always sell for its value in money and labor would always sell for its value in money.

Debts call for the payment of cash, and the extension of debts payable in cash is always an infringement upon the extension of credit payable in cash, and always interferes with the circulation of money. Money must return to labor each time it is spent in order to have its value renewed, and if other laborers do not gather in the money so spent, and catch it on the return, it must be borrowed from the lag in wages in order to be valuable, and in order to return.

The supply of money and credit is constantly limited by the necessity of borrowing in order to employ labor because laborers are themselves prevented from furnishing said money by buying the property they create.

Loanable bank funds may be increased from time to time by new money being added to the circulation which in its turn must be loaned and used to employ labor, but may then be invested and cut off and must be again loaned to employ labor and be again invested and cut off until each new dollar has created as many debts payable in cash as each old dollar and no more debts may be made.

CHAPTER VI.

To get a complete picture of prosperity, spreading its golden fleece among an ever increasing number of people, we need to cover a ten year period of development in a new territory. Consider, as an example, such a period in the development of the Northwest where the cities of Seattle, Portland, Tacoma, and Spokane were so rapidly built, with mining, lumbering, fisheries, farms, factories and railways tributary to them.

The history of this Northwest territory was written on a blank page of virgin soil with mountains and valleys, forests and streams and without human habitation until a rush of people supplied all the elements the land required for prosperity. The people were supplied with enough money to begin the division of labor which rapidly created more money by creating profits from deferred payments to labor. Cities arose on virgin soil from a rapid circulation of a small volume of money for which three per cent. per month was paid as interest. Farms were built and improved, goods were produced and sold in enormous quantity, besides the addition of an ever increasing total of new wealth in fixed property of all kinds.

The population of this new territory, composed mainly of the floating population of the East and from

all over the world, was a total or partial failure in older civilizations, but it created a greater empire in less time than the empire in which it was not wanted and from which it was glad to escape.

The remarkable activity which created such amazing totals of new wealth, in such a short period of time came to a partial paralysis and began its downward course to equalize the new civilization of the West with the older one of the East. The new wealth so rapidly created is to be measured in hundreds of millions of dollars of profitable buildings, in new cities and towns, in banks electric railway and light companies, in great merchantile establishments and in many other forms.

This new wealth became the property of the men who had brought little but their bare arms into the virgin territory. As always happens in like cases the wealth was distributed as prizes in a lottery, prizes in a race for favorable locations, and was a gamble in politics and in business, while labor was held in historic servitude.

The men who fail to land a prize wake up suddenly to find all the doors of opportunity closed against them, and such men face a dreary struggle for existence with death waiting along the road.

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Where shall we find the pressure upon the vital functions of the body politic which produces this partial paralysis in the distribution of wealth, the pressure

which prevents the continuation of the wealth creating process which would give to new comers and old inhaditants an equal chance.

We cannot keep on building new towns, new cities, new factories, new railways, and new utility plants all the time, so they say.—Can we not? And why not please? what else is there to do but to continue to build new and better all the time, and what is it that interferes with such better and newer building everywhere?

The building of new cities, and the development of tributary territory, is controlled by the new wealth becoming the property of a part of the people. What secret is hid within the process of distribution that finally closes the doors of acquisition and furnishes a monopoly of wealth among the few?

What social disease refuses to continue the process of creating more wealth and a wider distribution of it to more of the people? This monopoly which is everywhere casting its hateful influence over society is not the monopoly of production by trusts, and other combinations of industries, which is now stirring our legislatures and courts into such harmful and mistaken activity.

The monopoly, which is disastrous to the people, is the monopoly of distribution by which laborers and other people, who have little or no property, are prevented from increasing the little they have, and are prevented from adding to the total and getting a share

of that. We must have freedom of competition to acquire wealth and having secured such freedom we may allow unlimited combinations among factors of production.

With freedom to acquire wealth, each may then share in the advantages of combination. In our times, the production of wealth is a co-operative process, making competition not only impossible, but making the attempt to enforce such competition utterly ridiculous from any sensible standpoint. But the acquisition of wealth is an individual process which demands the utmost freedom between men, and such freedom the law should strongly secure and maintain by protecting labor.

There is no failure of the factors of production in this newly developed Western territory when the doors of opportunity are closed to the people who failed to draw a prize. The inhabitants are as industrious, as able and as enterprising as ever, the volume of money and credit has not been consumed but has greatly increased, and the land when improved should offer greater advantages than the same land offered when unimproved.

The power producing wealth has not been interfered with, but the change has come in the power of the individual to acquire wealth; the owners of the wealth, after a certain volume has been reached, are able to close the door of new wealth to new owners and

confine all increase to a narrow circle which is limited to themselves as a rule.

The answer given is this: That the people who are first on the ground secure the control of all the desirable lands, and locations upon which the improvements must be built, and when the locations are thus improved there is no more work of that kind remaining. The ones who come later must buy a share of this wealth or not secure any.

But this is not a sufficient answer because the favorable locations must necessarily be improved by some one in order to make any progress, and the ownership of such improvements should no more prevent them from increasing than the ownership of potatoes should prevent the production of succeeding crops.

The succeeding crops of improvements rest upon the same fundamental basis as succeeding crops of commodities, and there are few locations that may be called finished and upon which better improvements are not required in the present, or will not be required in the near future.

To assert that progress may thus defeat itself, and create its own adversity because the most desirable lands have been taken up, is to make black appear white, and to advance by contraries instead of by harmonies.

The men who first secure favorable locations get them for nothing it is true, and they profit enormously from a rise in value of land when improvements are

made in every direction. Up to a certain point the greater the improvements made the greater will be the rise in the value of land. Here is where the problem separates from the discussion generally outlined on this subject. The profit taken from a rise in the price of land may have a wholly different effect upon distribution than the profit taken from a rise in the price of the improvements themselves.

To put this matter clearly let me say that the owners of the improvements should have secured the same rise in price from improvements alone with land stationary, and such rise would not interfere with the subsequent distribution of wealth to other people, or interfere with the continuous increase in wealth. The explanation is, that the rise in price of land causes a contraction in the circulation of money and causes a total loss of profits by adding the price of land to each enterprise before the work of improvement may be undertaken, whereas the men who come first get the land without such price, and therefore find improvement profitable.

If we omit the price of land in the development of a new country and consider it as an enterprise depending wholly upon profits received from goods and improvements, we may readily understand how progress halts when the price of land takes away the profits.

Making and selling buildings of different kinds upon different locations, is essentially the same enterprise as making and selling different kinds of com-

modities, and if no price for land intervenes to cut down the market price for improvements there should be the same reproductive activity in improvements as is necessary in commodities and for the same reason, namely to gain the difference between the cost price and selling price.

Profits received from the sale of labor products are continuous because they are constantly renewed by new production, and represent the constant return of the wages held back. When improvements are held down to the cost and when the higher price that represents a return of deferred wages becomes a price for land then the limit in progress is established by the limit in the price of land.

Land bought and sold at a profit cannot stimulate labor to produce more land and thus return the purchase price and profit to the general market. By holding down the price of improvements to cost and taking the building profit away the building of improvements continues only while there is profit in the real estate market. The impelling force that causes a rush of labor over free land is not the rise in land value but it is the difference between the cost price and the selling price of improvements.

When the natural difference between the cost price and the selling price of improvements becomes a price for land it does so with great inequality, some lands advancing but little in price and other lands advancing

millions of dollars per acre, thus creating great inequality in distribution of wealth.

Improvements must be created first, before there is any difference between the cost and selling price of them to rake off as a price for land. The new country develops to a point where the increasing population is supplied with goods and improvements which will enable laborers to live at the prevailing standard, but the rise in price of land will prevent the distribution of deferred wages and will bring development to a standstill by destroying all profit in building.

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A bank in a new community with only ten thousand dollars of cash on hand may increase the credit of its customers by making sixty thousand dollars in loans provided the people who borrow also become depositors and institute a check currency on account of their deposits. The payment of such loans, and the circulation of the check currency, will depend upon the profit in buying and selling goods and in building improvements. The employment of labor will create the profits by the lag in return of wages, and the bank deposits will furnish all the increase in currency needed to advance prices above costs.

So long as this condition holds, the progress of the country will grow with what it feeds upon, but when the deferred payments fail to return and the rate of such return declines, and the price of land advances, then the

circulation of money changes to the contraction of money, and the distribution of wealth changes to its concentration.

Every city in the world furnishes thousands of examples of this blight of a rise in land values stopping new development. Everywhere old and dilapidated buildings which pay enormous profits are refusing to give way to new buildings on account of the price demanded for land. From my office window in the central part of the city all the buildings in sight, with but few exceptions, pay large incomes and would be replaced with better ones if the price of land did not take up all the gain demanded by new building. As one example among many, a four story brick building costing about ten thousand dollars rents for eighteen thousand dollars a year.

Upon what theory of encouraging the investment of capital is the owner of this location allowed to prevent building operations at the very point where the profit demonstrates such operations would be successful, and would be quickly undertaken? By what right does this land owner deny the public the choice of building it pays for, by enormous profits, according to the same rule by which capital supplies other public demands?

The owner of a valuable site first improves it with a small building suitable to the times, as the city grows and trade increases the profits from the

building advance demonstrating the demand for a better building. The profits in a better building, supposing the selling price to be double the cost price, would always be an inducement to demolish a building outgrown and substitute a better one because the smaller profits on a lower cost would give way to greater profits from greater cost. When however this gain in price may be taken off by a rise in the price of the location, instead of by a new building, the inducement to build changes to an inducement to hold the dilapidated and outgrown structure in its place.

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CHAPTER VII.

Although the evil effects of a rise in the price of land have been ably presented by Henry George and were known before his time, the confusion regarding money and capital has prevented a development of the whole truth about landlordism.

The belief is quite general among publicists that the value of land should not be singled out from the great body of valuable property for especial condemnation. Admitting that land has no labor cost by which its price may be regulated by supply, and admitting that the profit from a rise in its price is taken from the general wealth without giving anything in return, yet the claim is made that profits from the sale of land do not differ from similar profits of capital invested in improvements and industries.

Because all rises in price above cost must temporarily be supported by an increase in the volume of money, it appears that the mere increase in volume of money will support an increase in price without labor, that a few may thus gain and no one suffer loss.

After repeated failures to put the theory of a perpetual motion money into operation, the inventors and theorists continue to hope for an impossible financial system, and continue to advocate an automatic expand-

ing asset currency with assets based upon some other foundation than labor.

The difficulty of securing the proper distribution of wealth by an increase in the volume of money will be clear when the end sought is plainly set forth. The inflationists seek a money that will perform opposite functions, which will require labor to work for its own supply but will allow capital to take a supply from circulation without work. The theory is, that money may circulate two kinds of identical dollars, one of which employs labor and another may be added to prices and maintain them in the property market without returning to labor.

The financial writers, who adopt this theory, fail to see one half of the alternating current of circulation, they see the movement of money creating prices but do not see the reaction of prices necessary to sustain the volume of money. Wages stand as the undistributed middle between the volume of money and the volume of price, and money moving to prices must pass through wages, and prices returning money to circulation must pass through wages again.

The volume of money creating higher prices will not return to sustain prices unless it does so by a corresponding increase in wages, and it must not be forgotten that all prices are here included, property and securities as well as commodities. Circulation would speedily collapse from a failure of wages to rise if this

shortage in circulation was not continually being restored by borrowing money by an increase of debts.

Such debts are absolute when they are made up from prices of land, and wages due labor are held back by the return being pushed into the future until the limit in the lag of wages and limit in rate of profit will bring on the world wide crisis.

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To abolish landlordism means the most stupendous change in the history of the world. It means changing a burden of debt of sixty billion dollars, now crushing humanity into a credit, and in doing so not only removing the burden but adding as much power to uplift mankind as is now holding them down to brutish levels.

Everywhere that civilization and progress obtains a footing labor develops in power and capacity, but debts are added to the burden of labor until it becomes too heavy to bear, and progress stops as by a curse, and unfinished development changes into ruins on every hand.

This curse of debt propagates from city to city, back and forth, like emissaries calling on labor to strike, forcing out one industry after another, closing one opportunity to employ labor after another, each to be added to the growing ruin and each to add fuel to the impending conflagration.

The time rapidly approaches for the striking of the hour when the curse will stop all progress, and the first

stroke of the midnight alarm, for the general world panic, may now be set in the records of time by the vengeance of the gods.

Between now and the fateful midnight the expedition of Argonauts must succeed, or mankind in this age will perish. To avoid the Clashing Islands leading to the Black Sea, and to the shore of the land of Plunder it will be necessary to unite and work in harmony with a single purpose. The issue must be the single issue to recover prosperity and to abolish landlordism by which the people are being oppressed everywhere all over the world.

To tax landlordism out of existence, by exempting all other property from taxation, is to release the dove of Phineus to speed its way between the Clashing Islands, and the Argonauts may quickly follow. But to avoid delay and a storm and the renewed danger from Clashing Island the Argonauts must not fly the pirate flag of tax reform to mislead the unwary. They must carry the white pennant of humanity and hasten to crush landlordism and poverty and thereby restore the golden fleece to the downtrodden of the civilized world.

Columbus, Ohio, April, 1910.

